



ACN 010 126 708

ASX Release  
31<sup>st</sup> January 2017

## DECEMBER QUARTER 2016 BUSINESS UPDATE (Accompanying APPENDIX 4C)

**Adelaide, 31<sup>st</sup> January, 2017:** Reproductive Health Science Limited (ASX: RHS) (“RHS” or the “Company”) announces its fourth quarter cash flow report for the quarter ending 31<sup>st</sup> December 2016 with a business update.

### Highlights

- Cash on hand at 31<sup>st</sup> December 2016 was \$1.36 Million.
- Net operating cash outflows for the quarter totalled (\$383K).
- During the quarter, the Company:
  - Received cash revenue of \$25K, being an increase on the prior quarter and consisted of both kit sales and service provision, including the commencement of services to our third Australian IVF PGS customer.
  - Announced the successful co-location of Flinders Fertility, strengthening the Company’s association with its clinical end user market.
  - Completed a fully underwritten rights issue, with funds of \$990,077 before costs.
  - Continued to control operating costs closely with gross operating cash outflows for the quarter of \$461K, consistent with the prior quarter (\$468K) and the full year quarterly average (\$464K).
  - Generated considerable industry interest in the RHS’ DOPlify™ kit which was chosen for evaluation in an independent single cell Whole Genome Amplification (WGA) benchmarking study conducted by researchers at the University of Ghent in Belgium. Led by Dr Filip van Nieuwerburgh, the study has been completed and submitted for publication. The results of the study will be made publicly available as soon as the publication is printed.
  - Continued to initiate and progress reciprocal evaluations with significant overseas companies in NGS to explore the capabilities of DOPlify™ in a range of single cell NGS workflows.
  - Added a Key Opinion Leader, Dr Tristan Hardy, to the Clinical and Scientific Advisory Committee, Chaired by Prof Colin Matthews. Dr Hardy has been a long-time collaborator with RHS and has a particular interest and expertise in the use of NGS in the reproductive genetics market.
  - Exhibited at the American Society for Reproductive Medicine (“ASRM”) in Salt Lake City, Utah on 15<sup>th</sup> to 19<sup>th</sup> of October 2016. This provided an important opportunity for RHS to advance its USA marketing strategy and release data on its internal positive benchmarking results comparing DOPlify™ against competing WGA kits.
  - Delivered a corporate presentation at the Australia Biotech Invest in Melbourne 26<sup>th</sup> - 27<sup>th</sup> October 2016 and interviewed for PharmaTV.

### Subsequent to 31 December 2016;

- Further orders have been received for kits and services in January 2017, and the Company remains confident of quarterly revenue growth.

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- RHS was selected to present at the 9<sup>th</sup> Annual Biotech Showcase 9-11 January in San Francisco. Attended by more than 3,000 delegates from over 1,800 companies, RHS was one of 400 presenting Companies. A copy of the presentation is available at [http://www.rhsc.com.au/uploads/general/RHS\\_Presentation\\_Biotech\\_Showcase\\_Jan\\_2017.pdf](http://www.rhsc.com.au/uploads/general/RHS_Presentation_Biotech_Showcase_Jan_2017.pdf)
- Expanded the management team with the appointment of both a US-based Business Development Executive with significant experience in the field of genetic analysis including liquid biopsy and a European-based global marketing consultant to assist with marketing strategy for RHS' products. The USA based BD executive, Mr. Kamran Tahamtanzadeh, recently represented RHS at the Precision Medicine World Conference 2017 in Silicon Valley (<http://www.pmwciintl.com/2017sv/>).
- Enhanced our distributor network with the addition of UK-based Parallabs.
- As announced by RHS to the market on 23<sup>rd</sup> January, the Company's largest shareholder, the South Australian Government Financing Authority ("SAFA") sold its holding of 8,808,367 ordinary shares, comprising 11.12% of the Company's issued capital. The transaction was completed by Taylor Collison Ltd.
- The Company continues to hold technical and commercial discussions with select overseas clinical groups on the establishment of regional PGS capabilities using RHS products, and is also assessing requests to establish interstate PGS services in Australia.

**For further information please contact:**

**Dr Michelle Fraser**  
 CEO and Managing Director  
 Tel: (+61 8) 8152 9348  
[michelle.fraser@rhsc.com.au](mailto:michelle.fraser@rhsc.com.au)

**Dr David Brookes**  
 Chairman  
 Tel: (+61 8) 8152 9383  
[david.brookes@rhsc.com.au](mailto:david.brookes@rhsc.com.au)

### About Reproductive Health Science

RHS is a developer of advanced single cell genomic technologies focussed on improving health and research outcomes, with over 10 years of technical experience in the field. RHS recently released DOPlify™, a product that is a platform technology for whole genome amplification (WGA) of single or small numbers of cells. DOPlify™ is applicable to the global Next Generation Sequencing (NGS) market. EmbryoCollect™ is the Company's lead IVF specific product and is designed to increase the chance of a successful IVF cycle by selecting the most viable embryos for transfer by screening for aneuploidy. This is known as Preimplantation Genetic Screening (PGS).

#### Reproductive Health Science Ltd.

ACN 010 126 708  
 ASX: RHS

#### Issued Capital

79.2 million shares  
 6.8 million options

#### Registered Office

Level One, BioSA Incubator,  
 40-46 West Thebarton Road,  
 Thebarton, SA 5031

**Tel:** +61 8 8152 9380  
**Fax:** +61 8 8152 9474

**WEB** [www.rhsc.com.au](http://www.rhsc.com.au)

#### Directors

Dr David Brookes (Chairman)  
 Sue MacLeman  
 Johnathon Matthews  
 Dr Michelle Fraser (CEO)

#### Finance Officer & Company Secretary

Raymond Ridge

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

REPRODUCTIVE HEALTH SCIENCE LIMITED

**ABN**

84 010 126 708

**Quarter ended ("current quarter")**

31 December 2016

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(12 months)<br/>\$A'000</b> |
|---|------------------------------------|---|
| <b>1. Cash flows from operating activities</b>            |                                    |   |
| 1.1 Receipts from customers                               | 25                                 | 64  |
| 1.2 Payments for  |                                    |   |
| (a) research and development                              | (46)                               | (98)  |
| (b) product manufacturing and operating costs             | (4)                                | (81)  |
| (c) advertising and marketing                             | (1)                                | (21)  |
| (d) leased assets   | (39)                               | (130)   |
| (e) staff costs   | (265)                              | (1,009)   |
| (f) administration and corporate costs                    | (103)                              | (505)   |
| 1.3 Dividends received (see note 3)                       | -                                  | -   |
| 1.4 Interest received                                     | 2                                  | 17  |
| 1.5 Interest and other costs of finance paid              | (3)                                | (10)  |
| 1.6 Income taxes paid                                     | -                                  | -   |
| 1.7 Government grants and tax incentives                  | 40                                 | 382   |
| 1.8 Other (provide details if material)                   | 11                                 | 19  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(383)</b>                       | <b>(1,372)</b>                                  |

**2. Cash flows from investing activities**

2.1 Payments to acquire:

|                                   |     |      |
|-----------------------------------|-----|------|
| (a) property, plant and equipment | (2) | (52) |
| (b) businesses (see item 10)      | -   | -    |
| (c) investments                   | -   | -    |

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| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---|----------------------------|--|
| (d) intellectual property                                 | (7)                        | (72)                                   |
| (e) other non-current assets                              | -                          | -                                      |
| <b>2.2 Proceeds from disposal of:</b>                     |                            |  |
| (a) property, plant and equipment                         | -                          | 1                                      |
| (b) businesses (see item 10)                              | -                          | -                                      |
| (c) investments   | -                          | -                                      |
| (d) intellectual property                                 | -                          | -                                      |
| (e) other non-current assets                              | -                          | -                                      |
| <b>2.3 Cash flows from loans to other entities</b>        | -                          | -                                      |
| <b>2.4 Dividends received (see note 3)</b>                | -                          | -                                      |
| <b>2.5 Other (provide details if material)</b>            | -                          | -                                      |
| <b>2.6 Net cash from / (used in) investing activities</b> | <b>(9)</b>                 | <b>(123)</b>                           |

|   |            |              |
|---|------------|--------------|
| <b>3. Cash flows from financing activities</b>                                  |            |              |
| 3.1 Proceeds from issues of shares  | 990        | 1,515        |
| 3.2 Proceeds from issue of convertible notes                                    | -          | -            |
| 3.3 Proceeds from exercise of share options                                     | -          | -            |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | (110)      | (124)        |
| 3.5 Proceeds from borrowings  | -          | 42           |
| 3.6 Repayment of borrowings   | (11)       | (35)         |
| 3.7 Transaction costs related to loans and borrowings                           | -          | -            |
| 3.8 Dividends paid  | -          | -            |
| 3.9 Other (provide details if material)   | -          | -            |
| <b>3.10 Net cash from / (used in) financing activities</b>                      | <b>869</b> | <b>1,398</b> |

|   |       |         |
|---|-------|---------|
| <b>4. Net increase / (decrease) in cash and cash equivalents for the period</b> |       |         |
| 4.1 Cash and cash equivalents at beginning of quarter/year to date              | 881   | 1,455   |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)             | (383) | (1,372) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)             | (9)   | (123)   |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above)            | 869   | 1,398   |

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| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(12 months)<br/>\$A'000</b> |
|---|--|------------------------------------|---|
| 4.5   | Effect of movement in exchange rates on cash held  | -                                  | -   |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of quarter</b> | <b>1,358</b>                       | <b>1,358</b>                                    |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 47                                 | 465                                 |
| 5.2        | Call deposits   | 1,311                              | 416                                 |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (provide details)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>1,358</b>                       | <b>881</b>                          |

| <b>6.</b> | <b>Payments to directors of the entity and their associates</b>                                      | <b>Current quarter<br/>\$A'000</b> |
|-----------|--|------------------------------------|
| 6.1       | Aggregate amount of payments to these parties included in item 1.2                                   | 104                                |
| 6.2       | Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                                  |
| 6.3       | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 |                                    |

Executive director salary, directors fees and superannuation.

| <b>7.</b> | <b>Payments to related entities of the entity and their associates</b>                               | <b>Current quarter<br/>\$A'000</b> |
|-----------|--|------------------------------------|
| 7.1       | Aggregate amount of payments to these parties included in item 1.2                                   | -                                  |
| 7.2       | Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                                  |
| 7.3       | Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 |                                    |

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| 8. <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | Total facility amount<br>at quarter end<br>\$A'000 | Amount drawn at<br>quarter end<br>\$A'000 |
|--|--|---|
| 8.1 Loan facilities  | 163  | 163                                       |
| 8.2 Credit standby arrangements  | -  | -   |
| 8.3 Other (please specify)   | -  | -   |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |  |   |

The loan facility is equipment financing through NAB at 5.24% (secured over the equipment).

| 9. <b>Estimated cash outflows for next quarter</b> | \$A'000      |
|--|--------------|
| 9.1 Research and development                       | (35)         |
| 9.2 Product manufacturing and operating costs      | (18)         |
| 9.3 Advertising and marketing                      | (9)          |
| 9.4 Leased assets                                  | (29)         |
| 9.5 Staff costs                                    | (261)        |
| 9.6 Administration and corporate costs             | (163)        |
| 9.7 Other (provide details if material)            | -            |
| <b>9.8 Total estimated cash outflows</b>           | <b>(515)</b> |

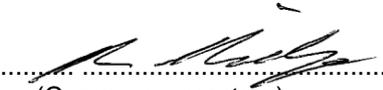
Subsequent to 30 September the Company has received \$990,077 before capital raising costs from a fully underwritten rights issue (refer ASX announcement 5 October 2016).

| 10. <b>Acquisitions and disposals of business entities<br/>(items 2.1(b) and 2.2(b) above)</b> | Acquisitions | Disposals |
|--|--------------|-----------|
| 10.1 Name of entity  | -            | -         |
| 10.2 Place of incorporation or registration  | -            | -         |
| 10.3 Consideration for acquisition or disposal   | -            | -         |
| 10.4 Total net assets  | -            | -         |
| 10.5 Nature of business  | -            | -         |

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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .......... Date: ... 30 January 2017.....  
(Company secretary)

Print name: .....Ray Ridge.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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